

CITY OF SOLEDAD ECONOMIC DEVELOPMENT REPORT & STRATEGY

**INDUSTRIAL ATTRACTION, RETAIL ATTRACTION,
DOWNTOWN REVITALIZATION, BUSINESS RETENTION,
BUSINESS CLIMATE IMPROVEMENTS
& TOURISM DEVELOPMENT**

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City of Soledad**

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**Prepared by
Applied Development Economics
2029 University Avenue • Berkeley, California 94704 • (510) 548-5912
1029 J Street, Suite 310 • Sacramento, California 95814 • (916) 441-0323
www.adeusa.com**

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INTRODUCTION

The City of Soledad is located in southern Monterey County along the State Highway 101 corridor. Unlike the Monterey Peninsula, Soledad and the surrounding Salinas Valley communities are reliant upon agriculture and small industry for their economic foundations.

Soledad is the fastest growing community in Monterey County. Over 900 new housing units have been built since 1995, but many of the City's residents commute outside of the City for work because jobs are not available in Soledad. They also shop out of town. Soledad does not have a modern supermarket-anchored shopping center. Its retail consists solely of a small freeway commercial interchange with fast-food establishments plus its older downtown. Soledad's downtown retail establishments have lower sales than similar merchants in other parts of Monterey County. The formula restaurants and motels in the South interchange area of Soledad have fared much better.

Most of Soledad's industrial activity also occurs in the South part of the City. Like retail, there is strong potential for industrial development, but as of now, that potential has not been met. This is now changing. Salinas is the hub of industrial activity along the Highway 101 corridor, but is quickly running out of vacant industrial land. Soledad, 25 minutes south of Salinas, can potentially capture some of the Salinas demand. In addition, growing local industries such as wineries are creating potential needs for distribution, preparation and other services that industrial development could meet.

JOBS TO HOUSING BALANCE ISSUES

The City of Soledad was awarded a grant from the California Department of Housing and Development to prepare a strategy for reducing the imbalance between available jobs and housing units within the jurisdiction. Eligibility for the grant was determined by submission of evidence of a jobs/housing ratio of less than 1.5, i.e. less than 1.5 jobs for every housing unit. The jobs/housing ratio for Soledad in 2000 was 1.3, i.e. approximately 1.3 jobs for every housing unit.

The City of Soledad lacks jobs relative to available housing despite industry growth in Salinas and Southern Santa Clara County. On the other hand, housing development and population growth have been consistent with a residential market driven by the City's population growth and regional housing demand.

The minimum target ratio of 1.5 jobs to each housing unit in the City can only be met through a reduction in housing production, an increase in the number

of available jobs or some combination of the two variables. A reduction in housing production would cause a shortage of housing for families currently living in the city as well as those families outside the City who would like to live in Soledad. Additionally, a reduction in housing would cause an increase in housing costs in a community that has experienced sustained market increases and is having to deal with affordable housing issues.

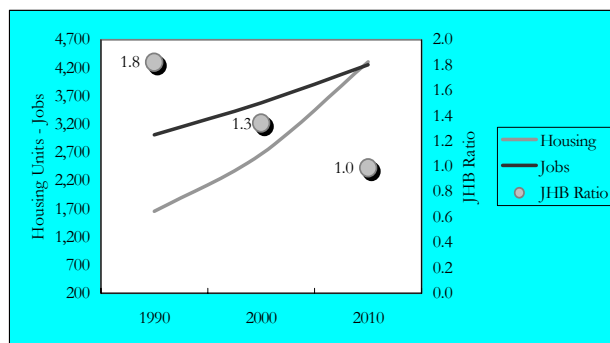
Therefore, the City has established as its minimum goal, a ratio of 1.5 jobs for every housing unit by 2010. This goal is to be achieved through the active recruitment, expansion or development of new industry, of firms serving other Monterey County industries, of retail development, and through downtown revitalization.

Soledad's jobs housing imbalance is currently increasing. Soledad's jobs-housing ratio was a desirable 1.8 in 1990, worsening to the current 1.3 in 2000. If current growth rates for both jobs and housing remain constant over the next decade, Soledad will have a job to housing ratio of 1.0 in 2010.

Assuming that the supply of housing will increase at the same rate over the next decade, Soledad will need to create 639 net new jobs during the 2000-2010 period to achieve a balance between jobs and housing at the 1.5 jobs to housing ratio.

The following sections provide a Community Assessment and Economic Assessment as background. This is followed by a discussion of industry, commercial and retail development potential in Soledad and a job-generating implementation plan for addressing the Soledad housing to jobs ratio imbalance.

FIGURE 1
Current Rate Of
Growth Of Jobs
To Housing
Until 2010



PART I

ANALYSIS

Including

- 2 Soledad Community Assessment,
- 3 Economic Base Analysis And Target Industries,
- 4 Retail Market Analysis,
- 5 SWOT Analysis

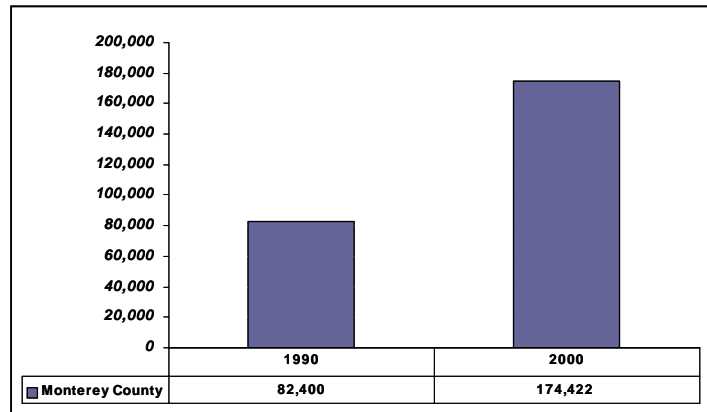
These chapters include all the components of the required Community Assessment and Economic Assessment required by the grant. The Implementation steps and strategy can be found in Chapters 6 & 7.

2. CITY OF SOLEDAD COMMUNITY ASSESSMENT

Economic Development is a process of creating wealth through the mobilization of human, financial, and physical resources to generate marketable goods and services. Through comprehensive planning and constant effort, it is possible to maximize utilization of local resources while minimizing local constraints in order to achieve a healthier local economy. A snapshot of the local community, showcasing change through time, is a tool that can be used to help develop an economic development strategy and measure progress. A comparison between a community and the surrounding region also is useful in determining potential opportunities or determining deficiencies. The following indicators are either changes through time for Soledad comparisons with Monterey County, the region around Soledad, or a combination of these .

Total employment is provided to show what the employment level is in the County based on place of work (Figure 2). This is important because it shows how many people are employed in the County.

Figure 2
Employment in
Monterey County
1990 - 2000



Current employment (Figure 3) shows the number of current jobs within Monterey County and Soledad industries. This level of detail is not available historically, though employment figures by place of residence are. Based on place of residence, the current unemployment rate for Soledad is 30.5 percent compared to Monterey County at 14.2 percent.

Total housing units (Figure 4) often follows the pace of population growth. The growth of one often tends to change in proportion to the growth in the other. Total housing units are the total number of housing units in Soledad and Monterey County. A housing unit can be a house, apartment, a mobile home, a group of rooms, or a single room. The housing units, compared to

jobs within Soledad were used to measure the current Soledad jobs-housing balance ratio.

Figure 3
Current
Employment
Soledad and
Monterey County
2000

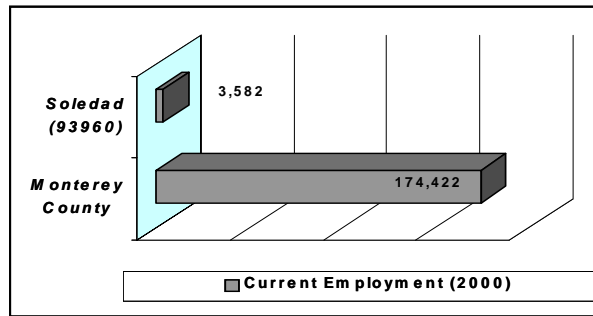
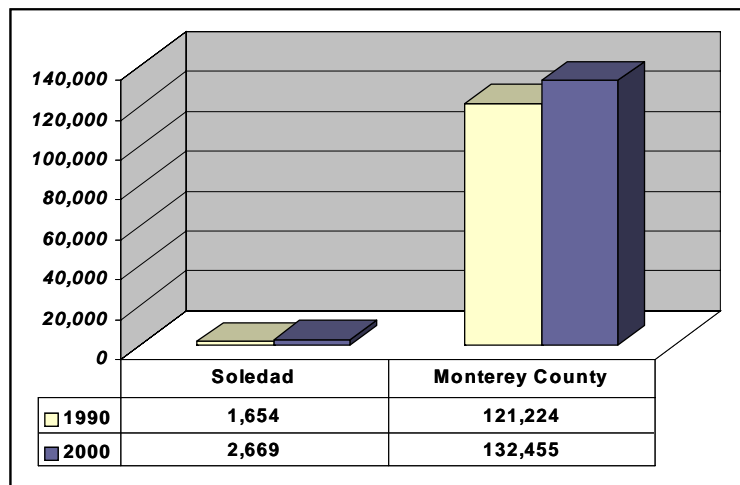


Figure 4
Housing
Soledad and
Monterey County
1990 - 2000



The overall change in housing for Soledad has been dramatic, increasing over 60 percent for the ten-year period. This compares to Monterey County as a whole with an increase of just over 9 percent (Figure 5). The increase in housing for Soledad compares to the total population increase in Soledad of 58 percent for the same period.¹

The job to housing balance initiative is designed to create jobs in housing-rich communities. For the purpose of this strategy, a balanced housing mix would be 1.5 (1.5 jobs for each housing unit). Currently, both Soledad and Monterey County as a whole have a ratio of 1.3 jobs per housing unit, meaning that jobs are being exported to neighboring jurisdictions (Figure 6).

While not considered for the job to housing ratio, the vacancy rate is important to consider for any overall strategy since it tells whether or not the current housing stock needs to be filled along with the creation of jobs (or the inverse, jobs created to supply the current population). Even though

¹ U.S. Census Bureau figures for Soledad are 7,146 for 1990 and 11,263 for 2000.

Figure 5
Change in
Housing
Soledad and
Monterey County
1990 - 2000

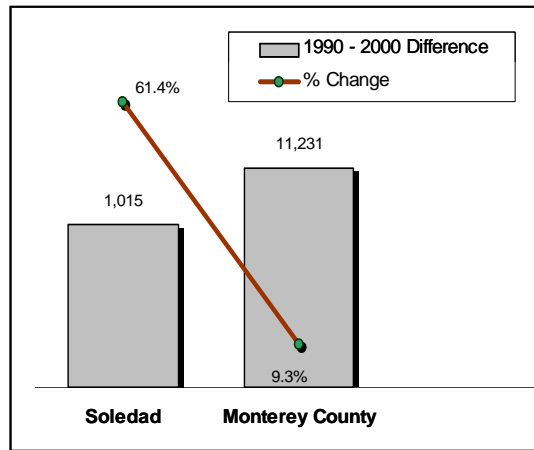
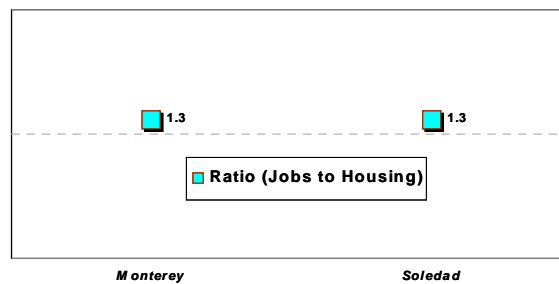


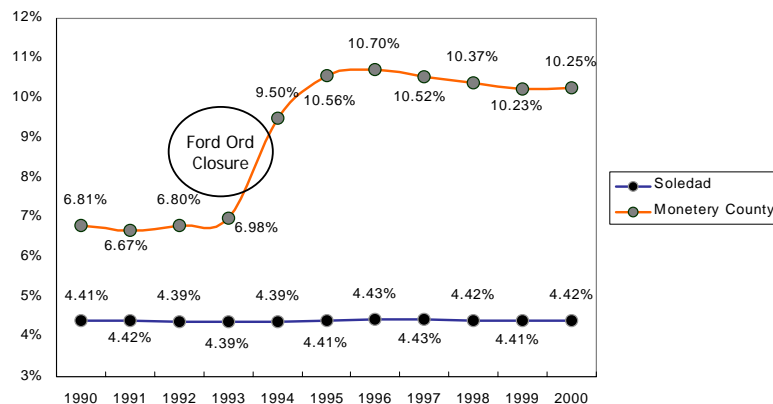
Figure 6
Jobs-to-Housing
Balance
2000



Soledad experienced the rapid development of housing over the last decade and the vacancy rate has remained constant. Monterey County by contrast experienced a sharp increase in vacancies as Fort Ord closed (Figure 7).

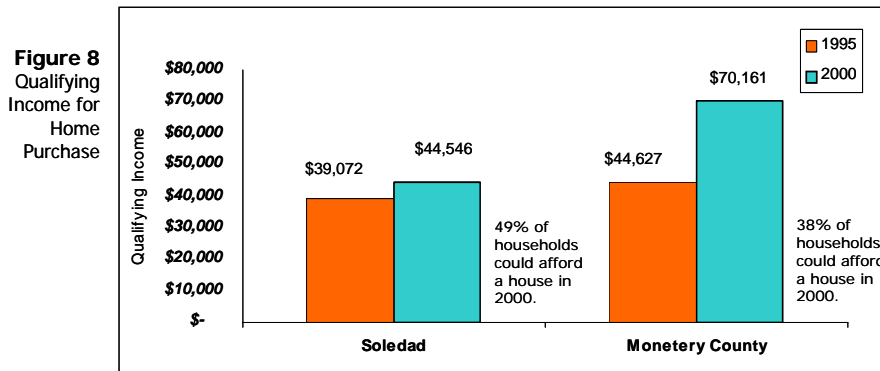
The qualifying household income needed for a home purchase is based on household income needed to qualify to purchase a home at the median sales price for homes within Soledad and Monterey County.² The qualifying

Figure 7
Housing Vacancy Rates
Soledad and
Monterey County

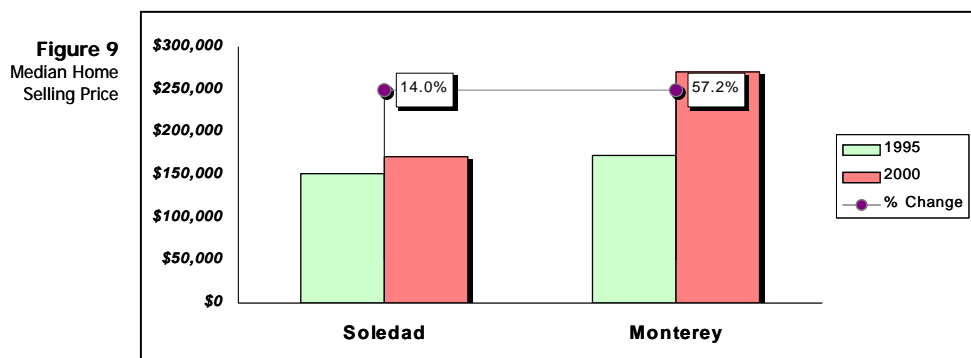


² Formula based on methodology from the California Association Of Realtors®, assuming a 20 percent down payment at a 7 percent interest rate over a thirty year repayment period.

income helps to determine the type of jobs (and prevailing wage) that should be created within Soledad so that they can support a home purchase, or the continuation of current living standard (Figure 8).



The median home selling price shows the change in the selling price of homes for Soledad and Monterey County from 1995 to 2000. Soledad saw a 14 percent increase in the selling price of homes, from \$150,917 to \$172,062 (Figure 9). Even though homes now are selling for over \$250,000, the \$172,062 figure was used to calculate the qualifying household income for a home purchase in Soledad. This figure is also important because it can determine the desirability of Soledad as a place to live, with increasing



housing values created by supply and demand.

A comparison of population change in Soledad and surrounding cities reflects the competition for Soledad and whether or not the growth in Soledad is tied to regional growth or internal factors. Overall, Salinas saw the greatest growth in the region, with Soledad comparing favorably with Greenfield and King City (Figure 10).

The working age population in Soledad is an important indicator of the current employment base that can be drawn from for new jobs. Mirroring the overall change in population, the working age population in Soledad increased 2,371, or 60 percent from 1990 to 2000 (Figure 11). This shows

Figure 10
Population Change
Monterey County
Cities
1990 - 2000

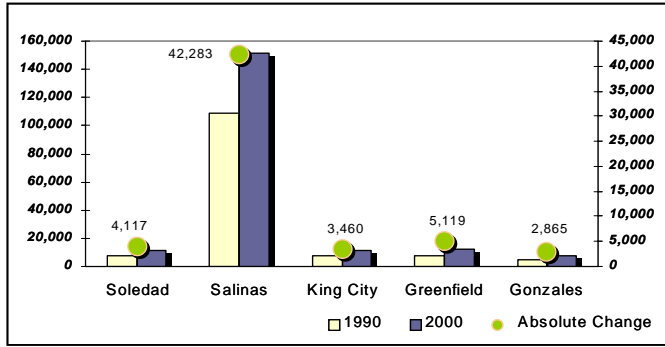
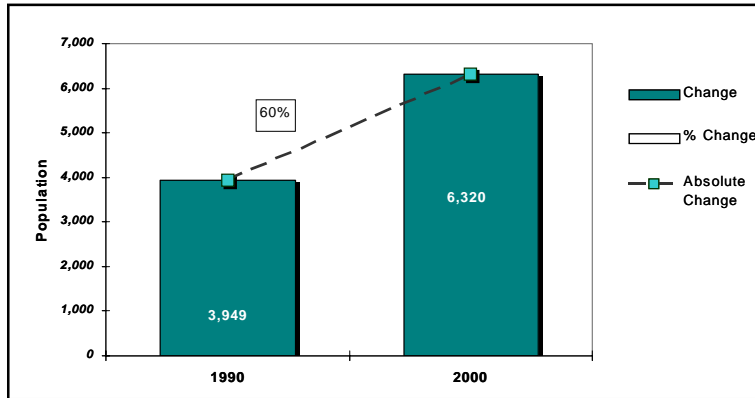


Figure 11
Working Age
(18-54) Change
1990 - 2000

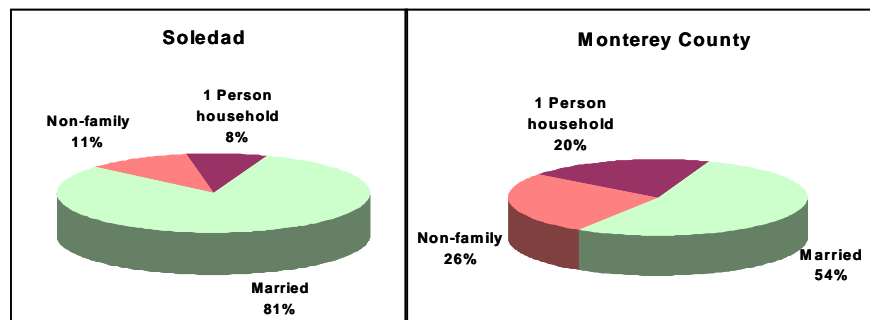


that the population increase in Soledad has been tied to working age families, but employment opportunities have not followed, meaning that those that live in Soledad need to commute to work.

The household type in Soledad is important since it shows the type of households that are currently living in Soledad and whether or not housing matches the need for certain household types. For instance, one-person households are more likely to need apartments as opposed to married families that require single unit dwellings (Figure 12).

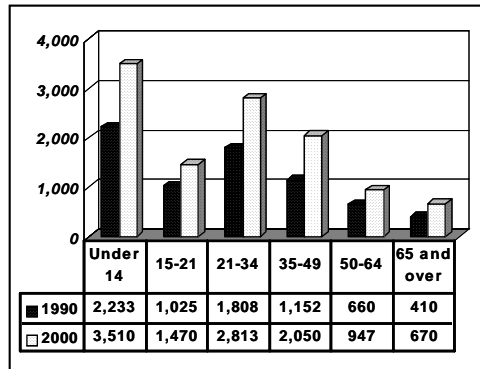
Age distribution is useful, along with household type, to determine needs such as day care centers, schools and retirement homes. When coupled with household type, age distribution can help to determine if there are young

Figure 12
Household Type
Soledad and
Monterey County
2000



families, or more established workers. In the case of Soledad, since there is a majority of married households, and a large percentage of children, it can be assumed that these are primarily young families that make up Soledad's

Figure 13
Age of Population
1990 & 2000

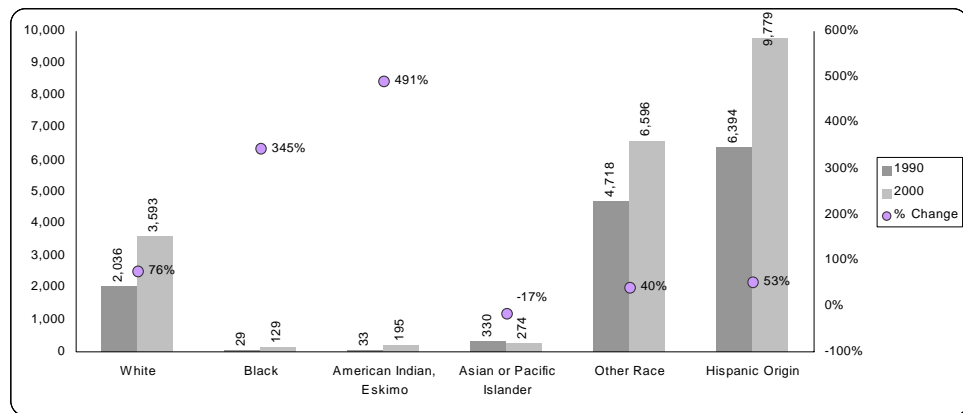


population (Figure 13).

Changing demographics, including race and ethnicity, will be important to note for recruiting new business and catering to specific tastes (Figure 14). Part of any overall economic development strategy should include focusing

Figure 14
Race and Ethnicity
Soledad
1990 - 2000

(Totals are more than population - one can be in multiple categories)



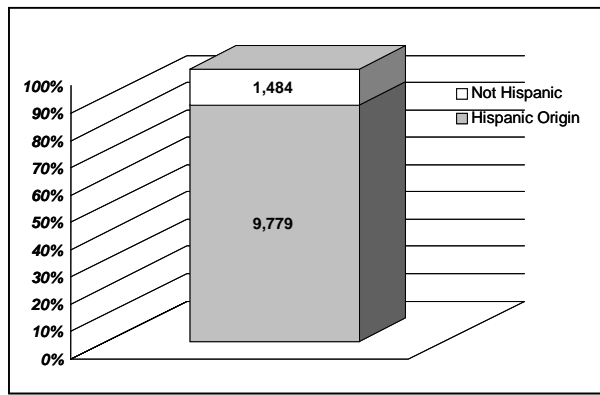
attention on specific markets and niches.³

Of importance to Soledad is the increasing Hispanic and Latino component of the local population. Since Hispanics and Latinos make up a majority of the population, any economic development strategy should include their specific needs, including educational opportunities and jobs (Figure 15).

Comparing the overall change in the Hispanic and Latino population in comparison to Monterey County shows whether this is an internal upward

³ An individual can be part of more than one group, so the numbers do not reflect total population.

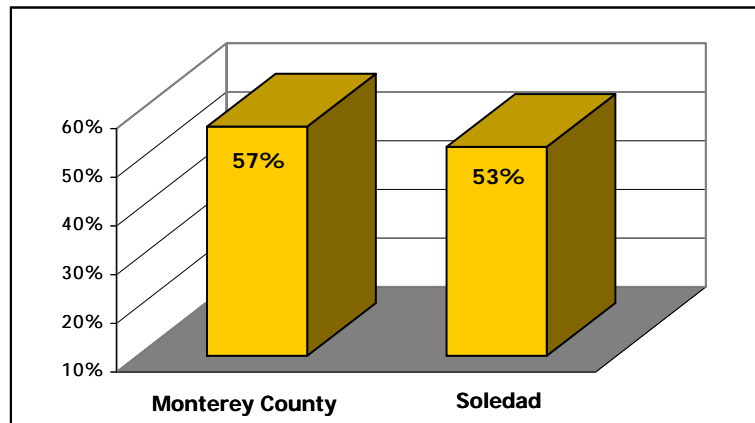
Figure 15
Hispanic or Latino
Population
2000



trend or an overall regional trend. In the case of Soledad, the overall change in the Hispanic and Latino component of the population has been similar to Monterey County (Figure 16).

Personal income is an important indicator of overall economic condition. Income influences consumer spending on a wide variety of goods and

Figure 16
Percent Change in
Hispanic or Latino
Population
Soledad and
Monterey County
1990 - 2000



services. For example, if income increases substantially it increases consumer spending on goods and services like housing, and retail purchases of non-durable and durable goods and services. The incomes shown in Figure 17 for Soledad can be compared to the State with the median statewide family

Figure 17
Income
Soledad
1990 - 2000

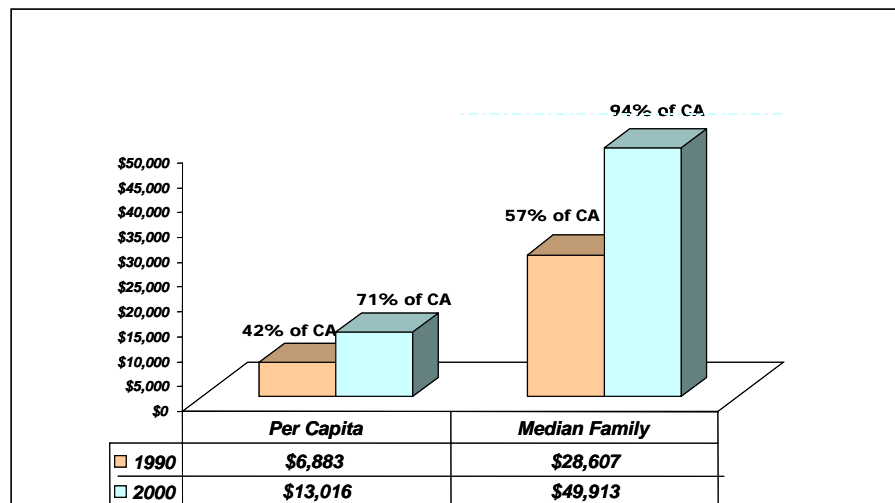
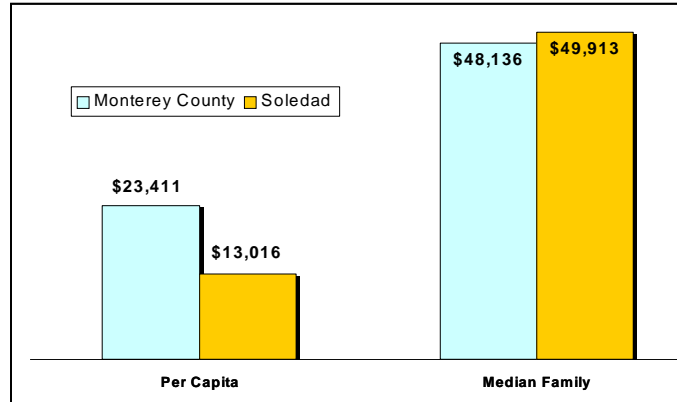


Figure 18
Income
Soledad and
Monterey County
2000



income of \$53,099 and the per capita of \$22,785 for 2000, both of which are much lower in Soledad.

While Monterey County overall is less than the state for median family, it much closer in per capita. In Figure 18, Soledad is compared to Monterey County. This is an important indicator since it shows Soledad’s potential competitiveness related to other parts of the County. The small per capita figure for Soledad is reflected due to the large number of children that are in the married households.

The general business statistics shown in Figure 19 compare Soledad to Monterey County and shows the percentage that Soledad businesses contribute.

Figure 19
General Business
Statistics
Soledad and
Monterey County
2001

2001	Soledad (93960)	Monterey County	Soledad % of Monterey County
Number of Firms	262	16,422	1.6%
Total Employees	5,448*	174,422	3.1%
Total Sales (\$million)	\$138.6	\$15,384.9	0.9%
Average Size (Employees)	22	11	

Source: Dun & Bradstreet iMarket

*Only about 3,500 of these jobs are actually in Soledad. The remainder are in Monterey County, nearby.

Job growth by industry sector is extremely important because it is an indicator of a healthy economy and it is a measure of economic diversity. Figures 20, 21, 22, and 23 illustrate the data the county level, along with change, as an indicator of where potentially Soledad could either fill a gap or follow the local industry trends.

Figure 20
Manufacturing
Employment
Monterey County
1990 - 2000

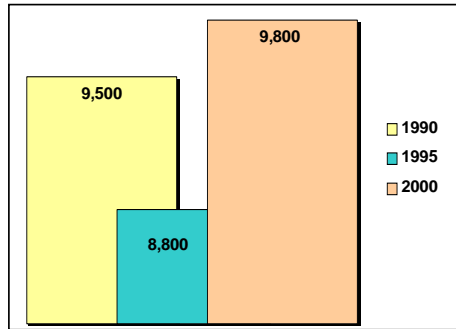


Figure 21
Services Employment
Monterey County
1990 - 2000

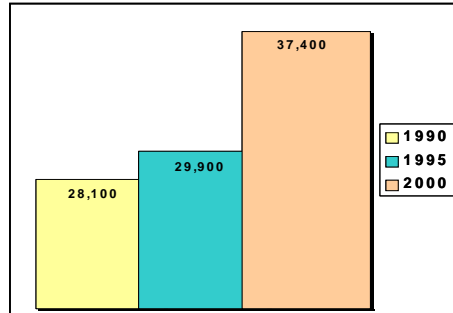


Figure 22
Wholesale
Employment
Monterey County
1990 - 2000

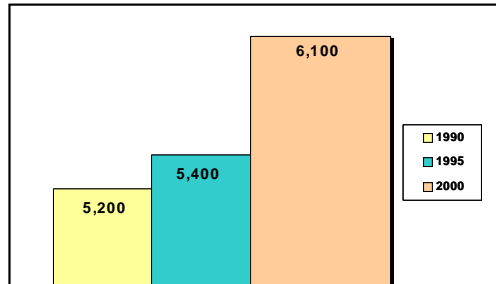
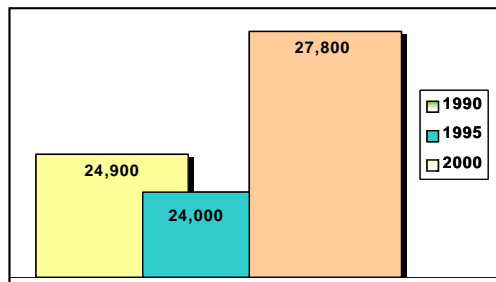


Figure 23
Retail Employment
Monterey County
1990 - 2000



3. ECONOMIC BASE ANALYSIS AND TARGET INDUSTRIES⁴

Economic base industries are the drivers of local and regional economies. Establishments in the economic base draw income into a local economy by selling products outside the local economy, much like the export industries of a national economy. Accrued earnings then circulate throughout the local area in the form of purchase of goods and services, generating more jobs and wealth. In the same way that other divisions such as retail and transportation support and depend on the economic base, major industry divisions that comprise the base likewise depend on each other. For instance, timber that is harvested by the agricultural-forestry industry is processed by manufacturers.

Agriculture comprises Monterey County's economic base. As a percentage of jobs, all of the agriculture sector for Monterey County increased 24 percent adding over 7,000 employees between 1991 and 2000. The state saw an increase in agricultural employment of 21 percent for the same period. Manufacturing, another important base industry, saw an employment increase of 16 percent from 1991 to 2000 in Monterey County, compared to a 4 percent decline statewide. Table 1 shows employment change by major industry sector for Monterey County and California.

Identifying those industries that have the greatest potential for growth and expansion can help targeted recruitment efforts. By identifying the change in local concentration of an industry in relation to the state and its employment growth, local industry clusters are identified.

ADE has identified four categories of industry sectors within the local economy: the *growing base*, *declining base*, *emerging base*, and *small declining* industries. Figure 24 provides a schematic explanation of the categories.

⁴ Extensive economic analyses have been completed over the past several years in Monterey County. For example, in 1999/2000 ADE studied Soledad and Monterey County in a similar manner in the *Los Coches Industrial Park Comparative Market Assessment* funded by CDBG Planning/Technical Assistance Grant #99-EDBG-641. This chapter updates job counts for the newest available data. No significant changes in existing trends have been noted.

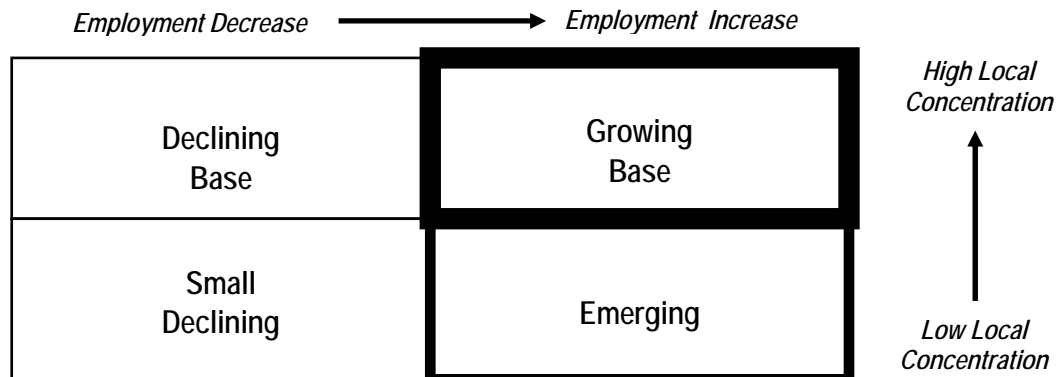
Table 1
Employment Change by Major Industry Sector
Monterey County and California, 1991 - 2000

Description	Monterey County Employment 1991	Monterey County Employment 2000	California Employment 1991	California Employment 2000	Change in Monterey County Emplmnt 1991 to 2000	Percent Change in Monterey County Emplmnt, 1991 to 2000	Change in CA Emplmnt 1991 to 2000	Percent Change in CA Emplmnt 1991 to 2000
Agriculture	30,983	38,386	426,083	517,322	7,403	24%	91,239	21%
Mining	394	98	38,739	23,733	-296	-75%	-15,006	-39%
Construction	4,414	6,341	546,165	726,816	1,927	44%	180,651	33%
Manufacturing	8,773	10,156	2,012,129	1,939,161	1,383	16%	-72,968	-4%
Transportation and Public Utilities	5,247	4,849	599,995	721,357	-398	-8%	121,362	20%
Wholesale Trade	5,882	5,793	735,936	822,692	-89	-2%	86,756	12%
Retail Trade	24,518	27,811	2,173,551	2,462,628	3,293	13%	289,077	13%
Finance, Insurance, and Real Estate	6,287	6,274	820,650	815,891	-13	0%	-4,759	-1%
Services	28,382	36,362	3,335,811	4,560,728	7,980	28%	1,224,917	37%
Total	114,880	136,070	10,689,059	12,590,328	21,190		1,901,269	

Source: ADE, data from Minnesota Implan Group (MIG) ES202 data files.

The *relative growth* (differential shift, or the local portion of the shift-share) of industry sectors compares the changes of the local economy to those of the state economy. As industries become more important in the state—employing more people—those same industries may or may not be adding jobs in Monterey County. The local growth potential of industry sectors is better shown by the differential shift than by whether the local employment is growing in absolute terms. The differential shift can, therefore, help show where comparative advantage is increasing.

FIGURE 24
Employment Change And Local Concentration
Of Economic Base Industries



The *growing economic base* includes those industry sectors that have positive growth rate and are net exporters (local concentration greater than 1.00). Businesses falling into this category merit the attention of policy makers and planners in helping to maintain and improve the economic conditions that enable these industries to have their comparative economic advantage. Comparative economic advantages come from local business conditions conducive to industry growth, such as a specialized marketing organization, credit and transport facilities, a trained labor force, a location near raw materials or transportation services, and/or the existence of complementary industries.

The *declining economic base* includes industry sectors have a high local concentration but have a negative growth rate. These businesses have a concentration based on local comparative advantages, but the industry is weakening. The reasons for the erosion should be investigated. The growth rate relative to the state is useful here. It is possible that the unfavorable trend is due to some industry-wide restructuring that eventually will strengthen the competitiveness of the affected firms and result in growth in the future. However, it could be that the unfavorable trend is the result of local problems facing this type of industry. In this case, identifying the causes is the first step in the development of policy alternatives.

The *emerging industry* sectors are those that are growing in employment, but whose local concentration is small compared to the share of the same industry sector in the state economy. Firms in this category deserve some attention and help. It is likely they will be larger employment generators in the future because of emerging local comparative advantages. If growth relative to the state is positive, these industry sectors are realizing local comparative advantages.

The fourth category (*small declining*) is made up of businesses that have a small share in the local economy (location quotient less than 1.00) and are declining in employment.

This category is not the subject of an in-depth analysis because the types of businesses that fall in this category lack one or more local fundamentals for long-term viability and growth.

Industries in the emerging and small declining categories would be good targets in a supplier industry strategy, which could increase the local supply of products and services now being imported for use by other local industries. Table 2 shows the industry sector breakdown for Monterey County.

TABLE 2
Growing Industries And Concentrations, Monterey County
1991 To 2000

Declining Employment  Employment Growth

High Local
Concentration



Low Local
Concentration

SIC	Description		SIC	Description	
07	Agricultural services	Declining Base	01	Agricultural production—crops	Growing Base
27	Printing and publishing		08	Forestry	
51	Wholesale trade—nondurable goods		15	General contractors and operative builders	
			20	Food and kindred products	
SIC	Description		SIC	Description	
13	Oil and gas extraction	Small Declining	16	Heavy construction, except building	Emerging
14	Nonmetallic minerals, except fuels		17	Special trade contractors	
22	Textile mill products		23	Apparel and other textile products	
25	Furniture and fixtures		24	Lumber and wood products	
28	Chemicals and allied products		26	Paper and allied products	
32	Stone, clay, and glass products		29	Petroleum and coal products	
34	Fabricated metal products		30	Rubber and misc. plastics products	
35	Industrial machinery and equipment		31	Leather and leather products	
36	Electronic & other electric equipment		33	Primary metal industries	
39	Miscellaneous manufacturing industries		37	Transportation equipment	
41	Local and interurban passenger transit		38	Instruments and related products	
42	Trucking and warehousing		45	Transportation by air	
44	Water transportation		50	Wholesale trade—durable goods	
47	Transportation services				
48	Communication				

Source: ADE, data from Minnesota Implan Group (MIG) ES202 data files.

TARGET INDUSTRIES FOR INDUSTRIAL ATTRACTION IN SOLEDAD

Selecting appropriate target industries requires considering those industries with the greatest local concentration and good future prospects for job growth. It also means matching those industries to the available industrial space, making sure those industries will not overtax existing water and sewer, and identifying industries that the labor supply can support. Table 3 shows recommended target industries for Soledad.

TABLE 3
Recommended Target Industries For Soledad

SIC	Industry
0723	Crop preparation for market (fresh packing)
20	Food processing, including
	2033 Canned fruits and vegetables
	2034 Dehydrated fruits, vegetables, soups, etc.
	2084 Wines, brandy and brandy spirits
	2099 Food preparations, nec
17	Construction, including
	1711 Plumbing, heating, A/C contractors*
	1721 Painting and paper hanging
	1731 Electrical contractors*
	1741 Masonry and other stonework
3x	Selected Manufacturing, including all manufacturing related to making agricultural equipment, plus
	3674 Semiconductors and related
	37xx Transportation equipment
	3826 Analytical instruments
4212	Local trucking
5148	Fresh fruits and vegetables, wholesale

* Added from the 2000 Los Coches study

4. CITY OF SOLEDAD RETAIL MARKET ANALYSIS⁵

Soledad's retail district is centered in its downtown, near places of residence and employment. But downtown no longer serves residents the way it did in the past. Now, Soledad is a bedroom community with many of its residents choosing to shop outside of the City at established retail centers near their place of employment. There is a commercial/retail section at the south end of Soledad, but this area tends to serve travelers along the Highway 101 corridor.

Overall, sales in Soledad have kept pace with smaller communities in the area, but have been outpaced by King City to the south and the County as a whole. Table 4 shows the sales per capita of regional communities and Monterey County.

**TABLE 4
COMPARISON OF 2000 PER CAPITA RETAIL SALES**

	Number of Outlets	Taxable Sales	Population	Sales per Capita
Soledad	78	\$29,843,000	11,263	\$2,650
Gonzales	65	\$15,015,000	7,525	\$1,995
Greenfield	76	\$36,121,000	12,583	\$2,871
King City	135	\$69,204,000	11,094	\$6,238
County	4,817	\$3,346,515,000	401,762	\$8,330

Source: Taxable Sales in California (Sales & Use Tax) 2000, ADE

The population of Soledad is transitioning from a Hispanic, farm worker base to a more middle class, suburban one. The population is still Hispanic dominant, but local merchants have not met the rising incomes with an expanded selection of products. Because of this, Salinas's merchants serve the more affluent shoppers. The primary market area for Soledad has an average household income of over \$46,000. Table 5 estimates the household income for the primary Soledad market area.

⁵ This chapter is a condensed version of the retail leakage analysis found in the March 29, 2002 *Soledad Downtown Development Plan* report funded by CDBG Planning/Technical Assistance Grant # 00-EDBG-722. It is produced here for continuity so the reader can follow how ADE arrived at its conclusions and recommendations.

**TABLE 5
HOUSEHOLD INCOMES, SOLEDAD PRIMARY MARKET AREA**

Income Range	Households	Total Income	Average Income
Under \$20,000	747	\$10,874,007	\$14,549
\$20,000 to \$29,999	575	\$16,822,045	\$29,253
\$30,000 to \$39,999	380	\$15,311,830	\$40,246
\$40,000 to \$49,999	543	\$27,336,740	\$50,298
\$50,000 to \$69,999	347	\$21,385,386	\$61,568
\$70,000 and Over	487	50,803,262	\$104,271
TOTAL	3,081	\$142,533,270	\$46,262

Source: ADE Retail Model, U.S. Census Bureau

The primary market area of Soledad is the census tract that encompasses the boundaries of the City. In addition to the primary market area, Soledad merchants have the potential to compete for and attract shoppers from the central and southern Salinas Valley. The secondary market area is also more affluent than Soledad itself with an average household income of over \$53,000. Table 6 estimates the household incomes for the secondary market area.

**TABLE 6
HOUSEHOLD INCOMES, SECONDARY MARKET AREA**

Income Range	Households	Total Income	Average Income
Under \$20,000	2,711	\$38,983,576	\$14,382
\$20,000 to \$29,999	1,653	\$50,197,561	\$30,368
\$30,000 to \$39,999	1,608	\$65,889,946	\$40,971
\$40,000 to \$49,999	1,459	\$72,947,594	\$50,008
\$50,000 to \$69,999	1,244	\$77,273,384	\$62,093
\$70,000 and Over	1,951	259,401,632	\$132,958
TOTAL	10,626	\$564,693,694	\$53,143

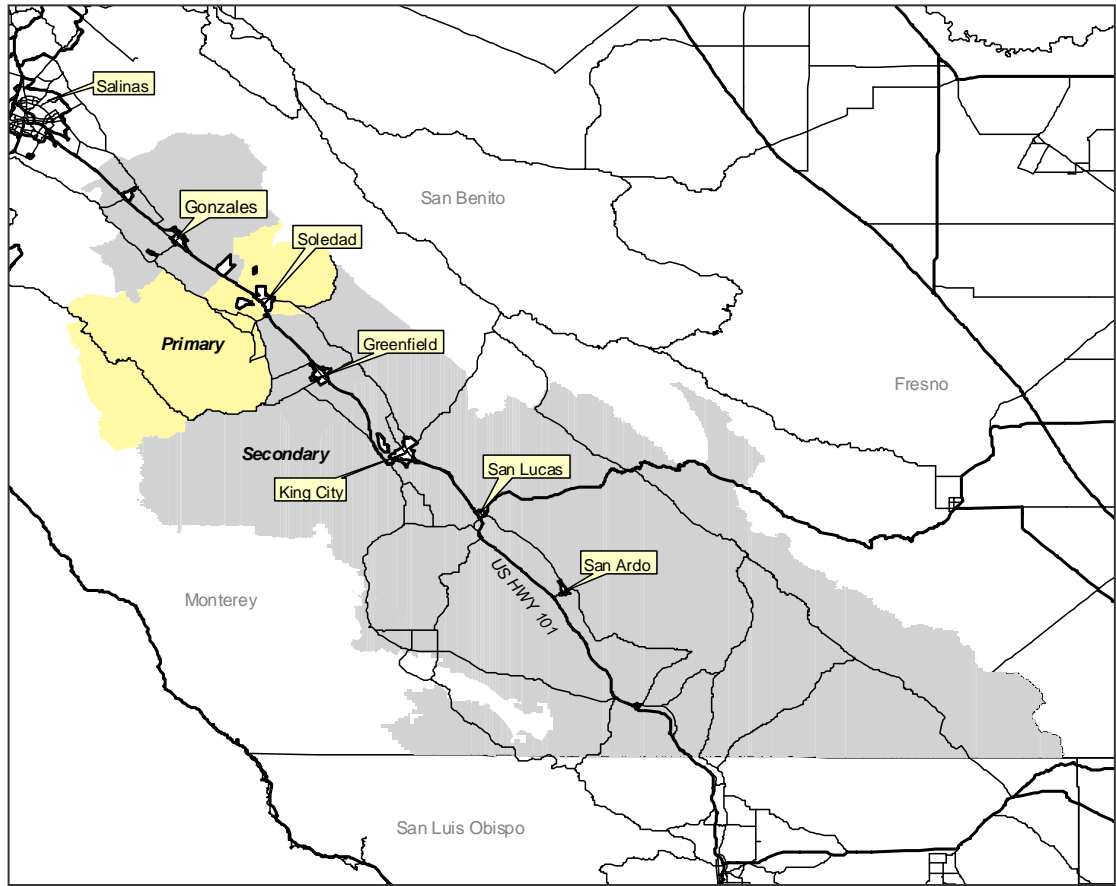
Source: ADE Retail Model, U.S. Census Bureau. Excludes Salinas

Figure 25 shows the primary and secondary market areas for Soledad.

Total retail demand by Soledad households (including discretionary spending) is over \$49 million within the primary market area. The secondary market area had over \$179 million in household spending in 2000. Combined, the total household retail spending of both markets is over \$229 million. Table 7 shows the demand by major retail group for the markets

The automotive group sees the largest demand for Soledad households. Automotive also has the largest total spending across both markets. This is followed by the Food, Eating and Drinking group with over \$64 million spent by households in both markets. These are also the two categories with the largest sales leakage from Soledad merchants. Overall, Soledad merchants are experiencing considerable sales leakage. Table 8 shows the sales leakage of Soledad merchants for the combined market areas.

**FIGURE 25
SOLEDAD PRIMARY AND SECONDARY MARKET AREAS**



**Table 7
Soledad Market Area Retail Spending**

Retail Group	Soledad Household Spending	Secondary Market Area Spending	Total Household Retail Spending	Percent of Demand (Soledad only)
Total	\$49,750,694	\$179,999,400	\$229,750,094	100%
Apparel Store Group	\$2,935,602	\$10,647,886	\$13,583,489	5.9%
General Merchandise Group	\$8,758,009	\$31,717,534	\$40,475,543	17.6%
Specialty Retail Group	\$3,350,565	\$12,242,075	\$15,592,640	6.7%
Food, Eating and Drinking Group	\$14,087,298	\$50,575,510	\$64,662,808	28.3%
Building Materials And Home Furnishings Group	\$4,675,512	\$17,260,287	\$21,935,800	9.4%
Automotive Group	\$15,943,708	\$57,556,108	\$73,499,816	32.0%

Source: ADE Retail Model

**TABLE 8
SOLEDAD RETAIL TABLE**

Retail Group	Total Household Retail Spending (Both Market Areas combined)	Actual Sales	Sales Leakages
Total	\$229,750,094	\$37,608,764	\$192,141,330
Apparel Store Group	\$13,583,489	\$283,537	\$13,299,952
Women's Apparel	\$3,054,549	\$0	\$3,054,549
Men's Apparel	\$1,067,220	\$0	\$1,067,220
Family Clothing	\$6,730,752	\$283,537	\$6,447,215
Shoe Stores	\$2,730,967	\$0	\$2,730,967
General Merchandise Group	\$40,475,543	\$1,291,571	\$39,183,972
Department & Dry Goods	\$22,118,142	\$0	\$22,118,142
Discount Stores	\$13,194,982		
Department Stores	\$8,923,031		
Other General Merchandise	\$11,350,946	\$315,691	\$11,035,255
Warehouse Clubs and Superstores	\$8,630,119		
Misc. General Merchandise	\$2,720,827		
Drug & Proprietary Stores	\$7,006,454	\$975,880	\$6,030,575
Specialty Retail Group	\$15,592,640	\$737,719	\$14,854,921
Gifts & Novelties	\$1,235,131	\$0	\$1,235,131
Sporting Goods	\$1,624,814	\$59,832	\$1,564,983
Florists	\$390,330	\$144,464	\$245,866
Photographic Equipment	\$194,141	\$0	\$194,141
Records & Music	\$883,021	\$27,853	\$855,168
Books & Stationery	\$1,124,985	\$0	\$1,124,985
Office Supplies/Computer Equipment	\$2,631,583	\$0	\$2,631,583
Office Supplies	\$1,182,712		
Computer Equipment	\$1,448,871		
Jewelry	\$1,524,734	\$109,123	\$1,415,611
Misc. Specialty Retail	\$5,983,901	\$396,446	\$5,587,455
Cosmetics/Beauty Supply	\$302,618		
Optical Goods	\$855,841		
Other Health/Personal Care Stores	\$582,244		
Toys & Hobbies	\$1,778,197		
Pet Stores	\$861,241		
Other Misc. Specialty Stores	\$1,603,760		
Food, Eating and Drinking Group	\$64,662,808	\$16,478,738	\$48,184,070
Grocery Stores	\$42,840,314	\$10,629,288	\$32,211,026
Supermarkets	\$40,985,478		
Convenience Stores	\$1,854,803		
Specialty Food Stores	\$1,325,434	\$250,811	\$1,074,624
Meat & Fish Markets	\$663,173		
Fruit & Vegetable Markets	\$256,699		
Misc. Specialty Food	\$405,561		
Liquor Stores	\$1,834,580	\$263,174	\$1,571,406
Eating Places	\$18,662,480	\$5,335,466	\$13,327,015
Full-Service Restaurants	\$8,894,969		
Other Eating Places	\$9,061,419		
Drinking Places	\$706,092		
Building Materials And Home Furnishings Group	\$21,935,800	\$2,149,462	\$19,786,338
Furniture & Home Furnishings	\$9,624,513	\$143,693	\$9,480,820
Furniture Stores	\$5,698,463		
Other Home Furnishings Stores	\$3,926,050		
Household Appliances & Electronics	\$4,018,150	\$0	\$4,018,150
Used Merchandise	\$615,532	\$3,099	\$612,433
Nurseries & Garden Supply Stores	\$1,862,662	\$0	\$1,862,662
Lumber & Other Building Materials	\$3,305,272	\$1,043,087	\$2,262,185
Home Centers and Hardware Stores	\$2,333,684	\$959,583	\$1,374,101
Paint & Wallpaper	\$175,987	\$0	\$175,987
Automotive Group	\$73,499,816	\$16,667,738	\$56,832,078
New Cars & RVs	\$46,775,916	\$0	\$46,775,916
Used Car Dealers	\$3,392,991	\$9,890,944	-\$6,497,953
Gasoline Service Stations	\$20,179,711	\$5,618,235	\$14,561,476
Mobile Homes & Trailers	\$12,865	\$0	\$12,865
Auto Parts & Accessories	\$1,771,495	\$1,158,559	\$612,936
Boats & Motorcycles	\$1,366,838	\$0	\$1,366,838

Source: City of Soledad Sales Tax data, ADE Retail Model

The Soledad primary market area alone cannot support significant expanded retail, although it could contribute to increased sales at current establishments. Instead, Soledad must attract from the secondary market to successfully expand retail services. For instance, 16 apparel outlets could be supported if Soledad merchants could capture ALL of the spending for both markets, but in reality Soledad competes with the other South County communities for those sales. Soledad must provide a unique shopping opportunity in order to capture sales from its secondary market area. Table 9 estimates the number of supportable retail establishments by major category across both primary and secondary markets.

**TABLE 9
SOLEDAD SUPPORTABLE ESTABLISHMENTS, PRIMARY
AND SECONDARY MARKETS**

Retail Group	Supportable Estabs (Soledad HH Only)	Supportable Estabs
Total	26.3	121.9
Apparel Store Group	3.5	16.2
General Merchandise Group	1.0	4.5
Specialty Retail Group	4.5	21.1
Food, Eating and Drinking Group	10.4	47.8
Building Materials And Home Furnishings Group	3.4	16.0
Automotive Group	3.6	16.3

Source: City of Soledad Sales Tax data, ADE Retail Model

DOWNTOWN SOLEDAD

Of prime importance to the City of Soledad is a revitalized, retail abundant downtown. Currently, downtown merchants tend to be small and local serving. There is no reason why downtown merchants cannot continue to be such, but expanded services and increased competition in the Salinas Valley will only continue to erode sales. A healthy downtown Soledad will be dependent on how well it can be competitive in serving both the upwardly mobile suburban consumers and its large Hispanic market.

The Hispanic Market in Soledad

Census data shows that 74 percent of households in Soledad are Hispanic. This is over 86 percent of the total population. Surrounding communities also have large Hispanic majorities. Tapping into this market will be key for downtown Soledad merchants. Income for Hispanic households in Soledad and nearby Greenfield Gonzales are listed in Table 10.

TABLE 10
Hispanic Households And Income In The
Soledad, Greenfield And Gonzales Market Areas⁶

Income Range	Households	Total Income	Average Income
Under \$20,000	1,694	\$23,813,903	\$14,057
\$20,000 to \$29,999	1,073	\$31,567,961	\$29,408
\$30,000 to \$39,999	848	\$34,206,770	\$40,344
\$40,000 to \$49,999	952	\$47,751,198	\$50,179
\$50,000 to \$69,999	722	\$44,699,818	\$61,889
\$70,000 and Over	937	100,728,753	\$107,531
TOTAL	6,226	\$282,768,403	\$45,417

Source: ADE, Inc. Retail Model

RETAIL LEAKAGE CONCLUSION

Being a bedroom community, Soledad has been unable to maintain its downtown shopping core and is now more reliant on transient shoppers and the stores that serve them. By all accounts, the major formula restaurants and franchises that are in town are doing well. There is the potential in Soledad for a large supermarket and a drug store. In downtown Soledad, merchants will need to adjust product selection to meet the needs of Hispanic shoppers and keep newer residents shopping in town.

⁶ Household estimates are from U.S. Census 2000 census tracts and cover those tracts that overlap with Soledad, Greenfield and Gonzales and include large spaces outside of the city or town limits. Income estimates are from the 1990 U.S. Census and have been adjusted for inflation.

5. STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

Ability to capture the industrial and retail opportunities described in the previous sections will depend in large measure on the City's ability to compete successfully with other locations. It is increasingly necessary for localities to recognize that their major competitors will not necessarily be in their immediate surroundings. In fact, they may be global. Therefore, Soledad cannot be content with having a competitive edge on other cities in Monterey County. The City must be prepared to compete with all other locations having similar strengths and weaknesses.

Table 11 and the discussion below are based largely on the assessments provided in the two previous Soledad CDBG Economic Development Planning/Technical Assistance grants.⁷

Strengths

ADE has concluded that Soledad's industrial assets far outweigh its weaknesses. Soledad currently has the best industrial land in the Salinas Valley, with an open window to attract new industry, at least until new land in Salinas becomes available. The City has 66 acres of fully serviced sites ready for development by industrial prospects. Site availability — mostly ready-to-occupy sites and buildings — is the key to all industrial attraction, expansion, and new enterprise development initiatives. Therefore, the availability of prepared sites and plans for more are the City's most important asset, even if access improvements are needed.

Weaknesses

Sewer capacity is the city's most critical weakness. The current plant is operating near capacity, and needs expanding to accommodate industrial growth. While there is capacity reserved for the next 4-5 years at current growth rates, it does not include capacity for any agricultural processors or other significant water users.

In addition, prospects will need to be convinced of adequate labor to satisfy the demands of labor-intensive industries. Industries expanding from other more urban areas are often not convinced that rural areas have a large enough labor pool to meet their requirements when dozens of employees may be needed during the start up period. They are also concerned about the

⁷Grant # 99-EDBG-641 and #00-EDBG-722.

work ethic of the rural labor force and its ability to work productively in the high performance workplace in which most businesses operate in today's competitive environment. This problem is more apparent than real, but it will need to be addressed.

Lastly, Soledad's retail capacity needs expanding. Downtown is not attractive. New residents and tourists do not shop locally. The recent approval of a 120,000 square-foot community shopping center will bring needed capacity, but there is much the downtown in particular can do.

Opportunities

The major opportunity for Soledad is the likely continuation of housing growth in Monterey County. As a result, individuals and businesses are likely to more often consider relocation to Soledad. The City can proactively take advantage of its new, more skilled residents, and can attract employers to the area. Employers will increasingly be willing to locate in south Monterey County as a higher percentage of their employment base moves there. This will not be an overnight solution, and will take years of constant vigilance to ensure. Most of the remaining Jobs Housing Balance grant funds should be steered in this direction.

The City Council is committed to job growth. This support for the initiation and implementation of well-constructed economic development plans has placed the City in a competitive position for continuing its business attraction, expansion, and new enterprise development initiatives. Any letup in support for economic development by the City Council, staff, and Soledad's private sector leaders could dampen its effectiveness.

Threats

A key limitation in Soledad is its recent history of staff changes. The City – any city – needs a stable staff to move forward. For example, Soledad has had three different city managers over the last three years, making it difficult for the City to focus on its economic priorities. This has hampered the city's ability to determine and then implement a consistent economic development program. One effect of this has been to build a large cash reserve in the Redevelopment Agency Fund, which should be used for necessary infrastructure and job creation.

However, during this period of instability Soledad has taken many of the steps necessary for successful economic development. The City has many excellent economic development tools in place including redevelopment, a

revolving loan program⁸, and a façade improvement program. Soledad has collected enough information via this and past studies,⁹ and has done enough staff work to now implement a successful economic development program. The program should include industrial attraction, infrastructure development, retail attraction, downtown revitalization, small business assistance, tourism promotion and an incentive policy.

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⁸ Funded by CDBG EEF funds.

⁹ Several of which were funded by CDBG Planning/technical Assistance Grants

**TABLE 11
ASSETS AND LIABILITIES OF SOLEDAD
FOR INDUSTRIAL DEVELOPMENT**

	Asset (sell as an advantage)	Neutral (competitors are in same condition)	Liability (needs improvement)
Internal (can be changed or influenced relatively quickly)	<ul style="list-style-type: none"> <input type="checkbox"/> Excellent ready-to-occupy industrial park at affordable prices. <input type="checkbox"/> Park has good access to US 101 <input type="checkbox"/> Park is split into smaller parcels to match the market, some large parcels up to 20 acres remain. <input type="checkbox"/> Includes city-owned acreage available as an incentive. <input type="checkbox"/> Excellent water supply <input type="checkbox"/> Redevelopment authority the City is able to invoke. <input type="checkbox"/> Growing labor pool and local population <input type="checkbox"/> Affordable housing for workers <input type="checkbox"/> No odor or toxic receptors downwind from the industrial park. 	<ul style="list-style-type: none"> <input type="checkbox"/> Rail easement for future access. <input type="checkbox"/> Skills of labor pool need improving as more manufacturing develops. <input type="checkbox"/> Development fees and permit process are case by case. <input type="checkbox"/> Design standards for the industrial and commercial areas should be adopted. 	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of an aggressive, consistent, coordinated attraction effort <input type="checkbox"/> Sewer capacity is near maximum, and will need expanding to accommodate food processors <input type="checkbox"/> Strong history of food production, but no local history of non-food manufacturing <input type="checkbox"/> Lack of executive housing. <input type="checkbox"/> Soledad is perceived as remote – is not often considered by mainstream site selectors. <input type="checkbox"/> The quality of local schools needs improving <input type="checkbox"/> Much of the Los Coches Business Park is unattractive and needs cleanup and redeveloping. <input type="checkbox"/> Monterey County until recently has a historically passive economic development stance.
External (cannot be easily changed or influenced)	<ul style="list-style-type: none"> <input type="checkbox"/> Land in Salinas is currently pricey and scarce. <input type="checkbox"/> Moderate climate for full year-round operations. <input checked="" type="checkbox"/> Fast-growing wine industry will need space for operations. 	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of major university, though CSUMB and UCSC are 40 miles away. <input checked="" type="checkbox"/> Passenger airport too far away for strong high tech cluster to form. 	<ul style="list-style-type: none"> <input type="checkbox"/> Strong wind in the afternoon could affect operations.

TABLE 11 (CONTINUED)
ASSETS AND LIABILITIES OF SOLEDAD
FOR COMMERCIAL AND RETAIL DEVELOPMENT AND TOURISM

	Asset (sell as an advantage)	Neutral (competitors are in same condition)	Liability (needs improvement)
Internal (can be changed or influenced relatively quickly)	<ul style="list-style-type: none"> <input type="checkbox"/> New Old Town Soledad Association just formed to spearhead downtown revitalization. <input type="checkbox"/> New community-level shopping center just approved with good freeway visibility and access. <input type="checkbox"/> Redevelopment <input type="checkbox"/> New streetscape improvements scheduled for the Spring of 2003. <input type="checkbox"/> Façade loan program <input type="checkbox"/> Small business revolving loan program with \$500k to loan. <input type="checkbox"/> Good site at north interchange for future big box retailer. 	<ul style="list-style-type: none"> <input type="checkbox"/> New shopping center will draw some customers away from downtown, so merchants must respond. 	<ul style="list-style-type: none"> <input type="checkbox"/> City needs to financially support its new Old Town Association <input type="checkbox"/> City should support the SBDC and other small business assistance programs. <input type="checkbox"/> Land between Front Street and US 101 needs to be made more attractive for the benefit of residents, tourists and merchants. <input type="checkbox"/> Available downtown retail space is substandard and needs significant upgrading. This includes the second story of many buildings. <input type="checkbox"/> Merchants are oriented to serve downtown residents and migrant workers. Offerings must also attract the newer residents to shop downtown. <input type="checkbox"/> Need to create PBID to generate funds for Old Town Association and make it eligible for California Main Street designation. <input type="checkbox"/> Commercial land at north interchange is not in city limits. <input type="checkbox"/> Lack of neighborhood shopping options within walking distance of the newer tracts. <p>New retailers need to be wooed by the city et. al.</p>
External (cannot be easily changed or influenced)	<ul style="list-style-type: none"> <input type="checkbox"/> A renovated Downtown is highly visible from US 101. 		<ul style="list-style-type: none"> <input type="checkbox"/> An unattractive downtown is highly visible from US 101. <input type="checkbox"/> Strong wind in the afternoons affects outdoor activities.

PART II

ECONOMIC STRATEGY AND IMPLEMENTATION PLAN

6. ECONOMIC STRATEGY

The economic strategy recognizes that improving the jobs/housing balance will depend on the creation of new jobs available to City residents sufficient to eliminate the current imbalance and maintain equilibrium in the future. It also recognizes that the jobs/housing imbalance is not confined to the City limits and that final solutions must be found at the level of the labor market area that includes the entire south county. Even so, the City is confident that it can substantially reduce the statistical imbalance by creating more and better paying jobs for current and future residents.

The community and economic assessments serve as baseline data and information for development of the economic strategy. The approach includes a clear statement of the goals and objectives of the city; the business attraction, expansion, and new enterprise development strategies required to meet those goals and objectives; and approaches that address the opportunities for expanded employment generation in the community's basic and local serving businesses.

HIRE NEW ECONOMIC DEVELOPMENT STAFF

The first and most important goal for the city should be to again fill the position of economic development/redevelopment manager. This position will have an important role to play in all aspects of job creation in Soledad. This person should understand the principles of redevelopment and economic development and be able to work well with the City Manager, Community Development Director, Planning Commission, and Council. The Redevelopment Agency's budget can cost-effectively support the position. Assigning these responsibilities to existing staff, such as the Finance Director or Community Development Director will simply add more work to these already overburdened positions.

INDUSTRIAL DEVELOPMENT

Industrial Attraction

Soledad has a marketable industrial park with infrastructure through its core. A strong industrial attraction program is needed, in tandem with the creation of new infrastructure and continued parcelization of the Park. The City is in a position to attract smaller users in food processing and related industries, and one or two larger users needing up to 20 acres – as long as these businesses are not heavy water users.

Industrial Retention

Industrial users in the Los Coches Business Park and elsewhere in town (e.g., Estancia, California Vintners, B&P Packing) have a history of needing expansion room. There are already a number of known retention issues that need solving. The city should embark on a business retention and problem-solving quest so its key manufacturers can improve their operations and hire new employees. Expanding the sewer system will have a dramatic impact on the ability of these and future manufacturers to operate efficiently. Improving the attractiveness of the Los Coches Business Park will also be a boon.

Redevelopment to Serve Existing Infrastructure Needs

Soledad has a Redevelopment Agency that collects \$700,000 per year in tax increment, \$200,000 of which is useable every year¹⁰ for infrastructure and incentives to job-creating businesses. \$1.7 million in cash has accumulated over the years. Up to now, the RDA has been able to use much of its 20% housing setaside (an additional \$140,000 per year) for housing projects that meet the goals of redevelopment. This is partly due to the strong demand for new housing units in the City. However, it is now time for the RDA to use its remaining increment to improve its downtown streetscape (in progress and estimated at \$800,000) and other downtown revitalization, expand its wastewater treatment facility, bring new public infrastructure to the Los Coches Industrial Park, and redevelop the remainder of the Los Coches Business Park. Spending redevelopment dollars on these items will bring fast and lucrative returns to the city.

The Need for Future Industrial Land Through Annexation

At current industrial absorption rates, Soledad will run out of industrial land to market in about 20 years. In addition, only 500-1,000 jobs could be created in the existing Los Coches Industrial Park, much fewer than needed for an appropriate jobs housing balance. The City would be wise to annex land between Soledad and the Prison over time, and to earmark some of this land for industrial purposes. Since Soledad already serves the Dole Plant north of town, the land around the Dole plant and along Gloria Camphora Road to US 101 would be excellent for that purpose.

Land east of Soledad and north of the railroad — between California Vintners and Los Coches Industrial Park — is another candidate industrial

¹⁰ Useable for projects, and not passed through, already allocated for debt service, or otherwise unavailable.

expansion area. That area is under the Williamson Act and is planted in new vineyards, and thus may be more expensive to purchase. Also a bridge or tunnel across the tracks would be needed. However, serving infrastructure would be easier. In addition, if the Gabilan Loop is eventually completed as a link between Nestles and Metz Road, Soledad would have a contiguous industrial area and there would be other benefits including improved circulation for commercial traffic at the quarry and wineries east on Metz Road.

RETAIL ATTRACTION

Soledad is the only city in south Monterey County without a community-level shopping center anchored by a supermarket. However, just such a project is undergoing review by the City and should be approved in a few weeks. This center will bring new brand name stores such as Albertson's, Blockbuster, AutoZone, etc. for the convenience of residents. In a few years, the data indicates that Soledad will have enough demand from residents to attract a big box retailer such as WalMart, or perhaps even an outlet mall. These newer, larger stores, when built, should be sited north of town on land that needs to be annexed, and the annexation should proceed. The northern land would have better freeway access than the south interchange, would be more visible to travelers, and would be less constrained by surrounding uses. Attracting travelers will a necessary and important component of such a center.

DOWNTOWN REVITALIZATION

As the new community shopping center is built, downtown merchants who primarily serve downtown residents and migrant workers need to adapt to the new competition and expand their clientele. Two small markets, a Radio Shack, a pharmacy, and others will find themselves either moving to the new center or facing stiff competition. The just-completed Downtown Development Plan¹¹ includes a detailed downtown revitalization strategy and action plan. The downtown merchants have already taken the most important step of organizing themselves as the Soledad Old Town Merchants Association. The City needs to continue its support beyond the current streetscape improvement project and to provide city staff support, startup funds, and small business assistance funds.

¹¹ *Soledad Downtown Development Plan* completed in March 2002 pursuant to CDBG Planning/Technical Assistance Grant # 00-EDBG-722

Small Business Assistance

The City's ongoing Façade Improvement Program¹² and its newly expanded Revolving Loan Program¹³ need to be expanded and their terms marketed to all of Soledad's 300+ businesses. These two important job creation programs will play a critical role in the future. The city's One Bank branch and other banks should be enlisted to cooperate.

Tourism Promotion

Tourism in Soledad is currently minimal. The town currently offers little to the tourist except fast food and two transient motels. Tourist attractions can be found east of town on Metz Road at Cholame Vineyards and the Pinnacles. Paraiso Springs and Smith and Hook are wineries located south of the City, along with the Arroyo Seco recreation area and the south entrance to the Carmel Valley. Kendall Jackson is just south of Soledad on US 101. Tourists must still stumble to find the poorly signed Soledad Mission on picturesque River Road.

However, there is much tourism potential that is not yet tapped. Cooperative promotion is the first step, plus support to develop and expand attractions. Visitation to the attractions above can be significantly expanded through collaborative marketing. Los Coches Adobe is an historic house on US 101 that is the proposed site of a hotel and restaurant. The City can collaborate with the Monterey Vintners Association on wine region events and tours. The already-approved visitor area at the Estancia Winery can be developed. Wineries not now offering tours or tasting can offer such. Events such as Fiesta Days and other events can be widely promoted. Signage, coupons, and other incentives can tempt visitors already stopping at the South Soledad interchange for fast food to extend their stay a little longer. Downtown Soledad, the only downtown visible from the freeway, can take advantage of its location and remake itself into a vibrant, attractive rest stop and even a destination over time, including restaurants and other expanded offerings.

INCENTIVE POLICY

Various communities in Monterey County and elsewhere have enacted industrial incentive policies over time, King City's being notably successful. The soundest incentive policies avoid committing General Fund monies, and use either redevelopment assets or grant funds as investments to generate a

¹² Funded by the Redevelopment Agency

¹³ Funded using CDBG grant, via EDBG-EEF grant #01-EDBG-824.

greater future return. A return on the city's investment of a few years and a guarantee of job creation is often the guide to the amount invested in any given project.¹⁴ Cities most commonly participate in construction projects requiring public infrastructure development. They can often take advantage of the fact that they pay lower-than-commercial interest rates on borrowed funds. Soledad can use its existing fiscal impact model¹⁵ to determine expected returns on investment for almost any future project, and establish policies to steer its investments to the type of projects that will bring the most benefit to the city.

OPTIMIZE GRANT RESOURCES

Use federal and state grants to the maximum extent practicable for infrastructure, small business and microenterprise assistance capital, and to otherwise serve local businesses and develop new jobs.

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¹⁴ Soledad used just such an analysis to approve paying the Traffic Impact Mitigation Fee with Redevelopment funds for the new Taco Bell.

¹⁵ Provided to the City by ADE in September 2001 while under contract to the City as general economic development consultant.

7. IMPLEMENTATION PLAN

The attached jobs/housing implementation plan describes the initiatives required to put the economic strategy in motion. The plan includes a comprehensive economic development strategy for the City of Soledad. Full implementation over time will require resources beyond the scope of this jobs housing grant.

However, this plan also specifically recommends how the remainder of the \$110,000 jobs/housing funds (\$90,000¹⁶) can be used by the City of Soledad to implement these initiatives.

The following initiatives are recommended for implementation of the economic strategy:

1. **Industrial attraction** through a variety of attraction activities, including the creation of infrastructure;
2. Enhancing the retail sector through **downtown revitalization**;
3. Enhancing the retail sector through creation of a **community shopping center** that remains fully leased;
4. Enhancing the retail sector through **tourism promotion**;
5. Business retention and business climate improvements

SPECIFIC USE OF JOBS HOUSING GRANT FUNDS

Funds made available from the HCD grant (Table 12) will be used to cover some of the costs of these activities, including one-time costs such as equipment and printing costs for publications, and travel expenses for targeted recruitment visits.

TABLE 12
JOBS HOUSING GRANT BUDGET

Item	Budget
Basic industrial attraction materials	\$10,000
Outreach and travel for recruitment for one year – not including salaries	\$20,000
Subtotal Industrial Attraction	\$30,000
Support of SBDC workshops	\$20,000
Old Town Association startup support	\$20,000
Subtotal Downtown revitalization	\$40,000
Retail and tourism attraction	\$20,000
TOTAL	\$90,000

¹⁶ Soledad originally expected to have \$71,500 of grant funds available for implementation, having split its \$10,000 cash match between strategy development and implementation. Completion of this economic strategy only required \$20,000 of the \$38,500 originally budgeted for strategy development, thus releasing an additional \$18,500 for implementation.

CITY OF SOLEDAD ECONOMIC DEVELOPMENT ACTION PLAN

GOAL	ACTION STEP	COST	PRIORITY	TIME REQUIREMENT	WHEN
		0, \$, \$\$, \$\$\$	A, B, C	City Staff and/or Volunteer time	Now / Within 1 yr / Within 5 yrs
Economic Development Overall	Hire economic development staff	\$\$\$		A	Now
Industrial Attraction	Expand sewer capacity so industrial, business and residential growth can continue unabated	\$\$\$	A	3	1
Industrial Attraction	Commit Redevelopment funds to complete Relleum Road and other infrastructure in the Los Coches Industrial/Business Park in proportion to the desired return on investment.	\$\$\$	A	3	1
Industrial Attraction	Optimize the use of available tools such as CDBG Over-the-counter grants, Economic Enterprise Fund, Infrastructure Bank loans, IDB's, EDA and USDA grants, etc.	\$	A	2	Ongoing
Industrial Attraction	Pass industrial design guidelines for future industrial development in Los Coches industrial park.	\$	B	2	1
Industrial Attraction	Pass commercial design guidelines for future commercial development in Los Coches Business Park	\$	B	2	1
Industrial Attraction	Adopt incentive policy linked to investment return to the Redevelopment Agency and City.	\$	B	1	1
Industrial Attraction	Approach users along US 101 outside city limits for their interest, and work with the Monterey County Vintners Association	\$	A	2	Now
Industrial Attraction	Attend technology trade shows as coop participant with the County of Monterey, the CCMT, with others, and/or state	\$\$	B	2	1
Industrial Attraction	Create industrial property map for marketing purposes. Use the existing materials in the interim.	\$	B	0	1
Industrial Attraction	Create basic industrial marketing brochure. Use the existing materials in the interim.	\$\$	B	1	1
Industrial Attraction	Maintain membership in Central Coast Marketing Team and attend meetings and activities	0	A	1	Ongoing
Industrial Attraction	Contribute to county, regional, and statewide promotional materials (e.g. Salinas Valley Book)	\$	B	0	Now
Industrial Attraction	Purchase and use Act! Prospect tracking software	\$	A	1	Now

LEGEND

0=no cost or nominal cost for phoning, travel, mail, supplies *or* only 1-4 hours of time

\$ = Less than \$1,000 -- generally from existing resources

\$\$ = \$1,000 - 10,000 -- fundraising, private participation, perhaps grants. Consider hiring consultant or part time staff

\$\$\$ = over \$10,000 -- fundraising or grants are in order. Should strongly consider consultant or part time staff.

A = Top priority because of importance or necessity to do before another task

B = Initiate after first priorities or earlier if resources allow

C = Initiate later, after the first year

1 = Low intensity, less than 40 hours of time annually or one-time

2 = Medium intensity, between 40 hours and 160 hours annually

3 = Intensive, requires many hours of time to implement

CITY OF SOLEDAD ECONOMIC DEVELOPMENT ACTION PLAN

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		0, \$, \$\$, \$\$\$	A, B, C	City Staff and/or Volunteer time	Now / Within 1 yr / Within 5 yrs
Industrial Attraction	Complete Soledad web site	\$\$	A	2	1
Industrial Attraction	Generate press in <i>Soledad Bee</i> , <i>Salinas Sentinel</i> , <i>Monterey County Herald</i> , <i>San Jose Business Journal</i> for all successes.	0	A	1	Ongoing
Industrial Attraction	Join CALED and attend functions	\$\$	A	2	Ongoing
Industrial Attraction	Buy the homes along Nestles Road to ensure the entire area is commercial and industrial.	\$\$\$	B	3	5
Downtown Revitalization	Support SBDC workshops and other business assistance seminars and events.	\$\$	A	1	Now
Downtown Revitalization	Actively Help the Old Town Soledad Association organize and create its Main Street Program. Staff should attend all events and meetings	\$\$	A	2	Now
Downtown Revitalization	Promote festivals and events in close cooperation with Chamber, and Fiesta Days Committee	\$	A	2	Now
Downtown Revitalization	Provide design assistance for building owners seeking to upgrade and renovate.	\$	B	2	1
Downtown Revitalization	Actively market the Façade Improvement Program and Business Loan Program to more downtown businesses.	0	A	2	Now
Downtown Revitalization	Complete streetscape improvement program	\$\$\$	B	3	1
Downtown Revitalization	Help renovate key buildings.	0	A	1	1
Downtown Revitalization	Actively Market the Business Revolving Loan Program to downtown and other businesses needing capital.	0	A	3	Now
Downtown Revitalization	Create signage directing tourists and others to downtown and civic venues.	\$\$	A	2	1
Downtown Revitalization	Support creation of a PBID	0	B	0	1
Downtown Revitalization	Complete study of and implementation of Front Street vacant land improvement.	\$\$	B	3	5

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		0, \$, \$\$, \$\$\$	A, B, C	City Staff and/or Volunteer time	Now / Within 1 yr / Within 5 yrs
Downtown Revitalization	Create a central gathering place, park and/or mercado in the downtown	\$\$\$	B	3	5
Downtown Revitalization	Consider creating multi-tenant apartments for migrant workers, including adequate security, recreational opportunities and business services.	\$\$	B	3	5
Downtown Revitalization	Implement the city's parking plan, including studying the feasibility of establishing an assessment district.	\$\$	A	3	1
Retail Attraction	Support development of the new shopping center and help fill it with tenants.	0	A	2	Now
Retail Attraction	Complete development of Los Coches Adobe	\$\$\$	A	3	1
Retail Attraction	Identify vacant retail sites	0	A	0	1
Retail Attraction	Create retail commercial property map for marketing purposes -- focused primarily on Downtown	\$	A	0	1
Retail Attraction	Use interim retail brochure until a more comprehensive brochure can be developed.	0	A	1	Ongoing
Retail Attraction	Create comprehensive retail attraction brochure	\$\$	B	1	1
Retail Attraction	Join ICSC and attend functions	\$	B	1	Ongoing
Retail Attraction	Recruit target retailers from the identified categories using direct mail, personal contact, and/or phoning	\$	A	2	Ongoing
Tourism attraction	Support Monterey County, Monterey Vintners Association, individual winery and Chamber of Commerce tourism promotion activities	\$\$	B	1	Ongoing
Tourism Program	Encourage joint marketing by local businesses promoting linked activities	0	A	1	Now
Tourism attraction	Create interim tourism brochure for Soledad. Use existing Salinas Valley magazine until created.	\$	B	1	1
Tourism Program	Direct outreach to bus and other tourism operators	\$	B	1	1

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		0, \$, \$\$, \$\$\$	A, B, C	City Staff and/or Volunteer time	Now / Within 1 yr / Within 5 yrs
Film promotion	Join FLICS, participate in regional and statewide film promotion activities	\$	B	1	1
Business Retention, General	Create and maintain business assistance resource team (BART)	0	B	2	1
Business Retention, General	Solve business problems raised as appropriate. Look for trends that can become business climate improvements.	0	A	1	Ongoing
Business Retention, General	Conduct business visitation program	0	A	2	1
Business Retention, General	Develop Doing Business in Soledad brochure, including permit processes	\$\$	B	2	1
Business Retention, General	Conduct business roundtable meetings with City Council and staff	0	B	1	Now
Business Climate improvements	Permit streamlining	\$\$	A	2	5
Business Climate improvements	Telecommunications infrastructure -- bring	0	B	1	1
Business Climate improvements	Beautify Highway 101	\$\$	B	2	5
PBID -- By Downtown Association	Create owner database	0	A	1	Now
PBID -- By Downtown Association	Organize owners	0	A	3	1
PBID -- By Downtown Association	Define the proposed district	\$	A	2	1
PBID -- By Downtown Association	Develop and build support for district plan	0	B	3	1
PBID -- By Downtown Association	Petition and ballot campaign	\$	B	3	1
PBID -- By Downtown Association	Council hearings and adoption	0	C	2	1

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APPENDIX A

IMPLEMENTATION RECOMMENDATIONS FROM THE

LOS COCHES INDUSTRIAL PARK COMPARATIVE MARKET ASSESSMENT

APPENDIX B

FIRST YEAR COMPREHENSIVE ACTION PLAN FROM THE

SOLEDAD DOWNTOWN DEVELOPMENT PLAN